

Town of Warsaw

Budget Presentation
Fiscal Year 2022

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Town Manager

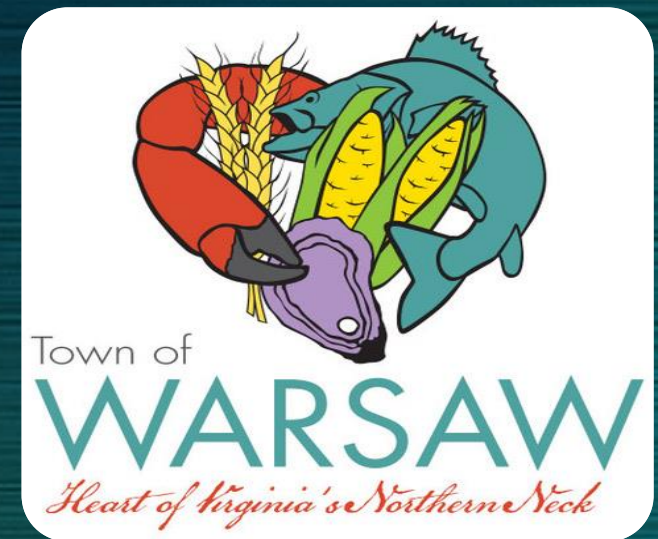


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Fiscal Year 2021 – Proposed Budget

- The proposed FY 2021 Budget totals \$3,327,829 – This reflects the General Fund, Water, and Wastewater Budgets (*Enterprise Funds*).
- This is a slight increase from last year's budget, reflecting both awarded and projected grant funds for various projects, such as the Industrial Revitalization Fund (IRF), the Community Market (USDA), etc.
- During the presentation, please feel free to ask questions and request discussion concerning amendments.



What does the Town fund?

- **Police** – Staff, Vehicles, Equipment, Building Expenses
- **Wastewater** – Staff, Vehicles, Equipment, Testing, Potential Upgrades or Repairs
- **Public Service** – Staff, Vehicles, Garbage Truck & Collection, Beautification
- **Water** – Staff, Vehicles, Equipment, Testing, Potential Upgrades or Repairs
- **Administration** – Staff, Vehicles, I.T., Budget Preparation, Legal, Day to Day Operations
- **Economic Development** – Incentives, Attracting and Retaining Businesses
- **Tourism** – Advertising, Billboards, Gear and Apparel, N.N. Tourism
- **Parks and Recreation** – Town Park, Dog Park, and the Bounds
- **Revitalization Efforts** – Town-wide Improvements and Upgrades
- **Charities and Organizations** – Main Street Program, Chamber, Fire Department, etc.

- Although last fiscal year's budget was cut by nearly \$100,000, certain revenue sources decreased at a higher rate than expected.
- The General Fund, consisting of all revenues from taxation (*meals, real estate, personal property, etc.*), remained relatively stable due to our foresight and fiscal prudence.
- Our Enterprise Funds (*Fees collected from Water and Wastewater Usage*) did not maintain at forecasted levels. Current projections have each of these down by approximately **20-25%**, or a combined amount of **\$220,000**
- These decreases have been researched and can be attributed to business closures during the pandemic, school closures, and lower usage at restaurants and other water/wastewater intensive establishments.

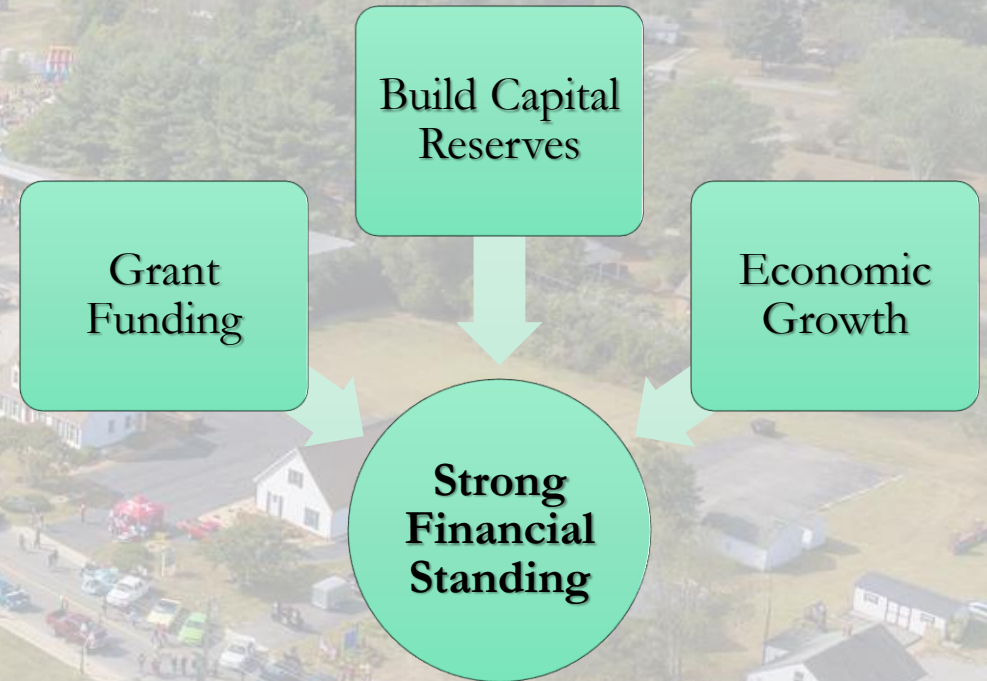
COVID - 19

Fiscal Impacts Stemming From the COVID-19 Pandemic



Core Objectives for Continued Strength

- Continue to pursue grant funding opportunities for current or future projects
- Build Capital Reserves back to previous levels
- Work with Department Heads to understand their budgets and monitor spending
- Continue to pursue an aggressive economic development strategy to attract new businesses



How do we achieve these objectives?

- With many of our large-scale projects coming to completion, and with all new or proposed projects being funded by grant funding, a renewed focus needs to be placed on building capital Reserves.
- The unforeseen outbreak of COVID-19 has placed the Town in a difficult financial situation. Although General Fund Revenues remain strong, this budget will require transfers from the General Fund in order to balance the Enterprise Funds budget. This has a negative impact on our ability to build capital Reserves.
- The current proposed budget freezes all capital projects and large purchases. In tandem with this, it includes a \$75,000 infusion of capital into General Fund Reserves.
- With these conservative measures, we anticipate our reserve balance to either maintain current levels or slightly decrease.

Our Budget Process

Capital Improvement Plan

- Serves as an outline for large-scale capital expenditures.
- Department Heads submit requests and answer questions asked by the Planning Commission and Council.
- This serves as a PLAN. No expenditures are guaranteed to occur if we are unable to pay for them within the general operating budget.

General Operating Budget

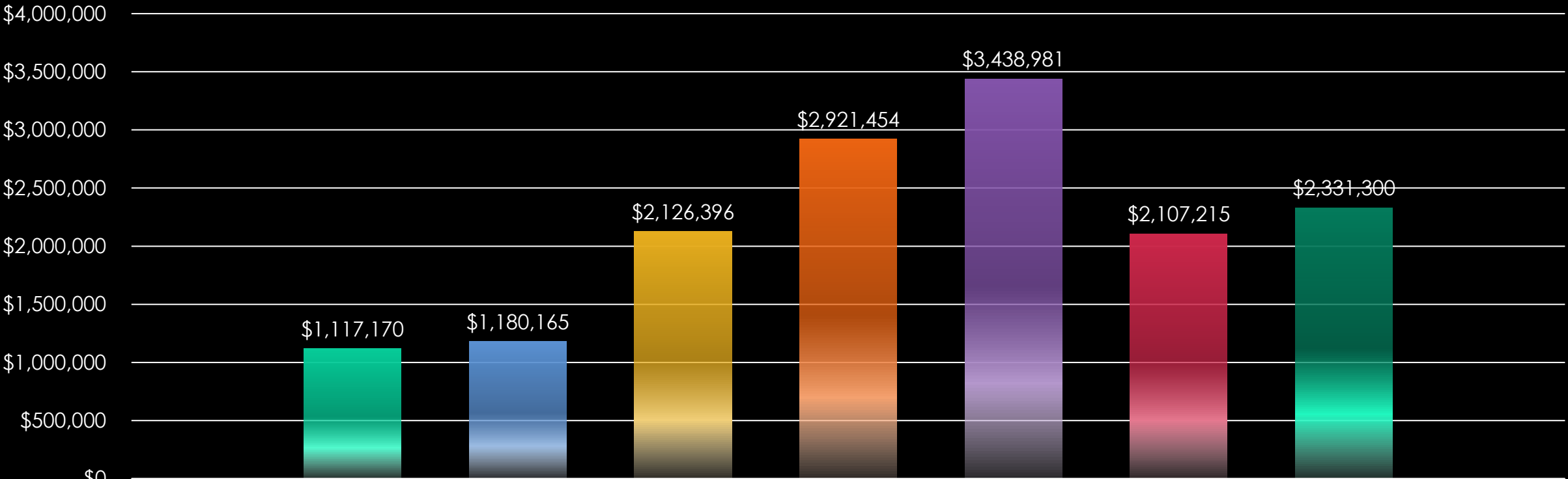
- This serves as the Town's operating budget for the next fiscal year (July 1 – June 30).
- Budget must be balanced and needs to include contributions to capital reserves.
- Two funds are featured in the budget: General Funds (Tax Revenue) and Enterprise Funds (Fees from Services).
- Council works through the Budget, holds a Public Hearing, and is allowed to adopt the Budget 14 days subsequent to the Public Hearing.

- Due to debt service stemming from the necessary purchase of a new trash truck, I have proposed a \$9.00 monthly trash collection fee for all residential customers. At this time, trash collection is factored into Personal Property Taxes, a practice that is no longer sustainable. Commercial consumers will have their payments increase from \$15.00 per month to \$30.00 per month.
- This increase in fees will grow our Solid Waste (SW) Fee collections from \$50,000 to \$160,000 annually, assisting the Town in paying for the now \$19,452 annual debt service payment, which will increase to over \$40,000 per year with the addition of another trash truck within 5 years.
- Cigarette Tax rates are proposed to increase from \$.25 per pack to \$.40 per pack, accounting for an increase from \$50,000 to \$90,000 in revenue. This will keep us in line with regional figures. The rate has not been changed in 15 years.
- Total combined annual debt service payments account for \$329,558 or 10% of the annual operating budget. These include items such as the wastewater treatment plant, trash truck, police vehicles, the Bounds, etc.
- Due to refinancing the Bounds loan, the Town will begin saving apr. \$10,000 annually in payments.
- This budget reflects a 2.5% raise for all Town employees.



Your Budget at a Glance

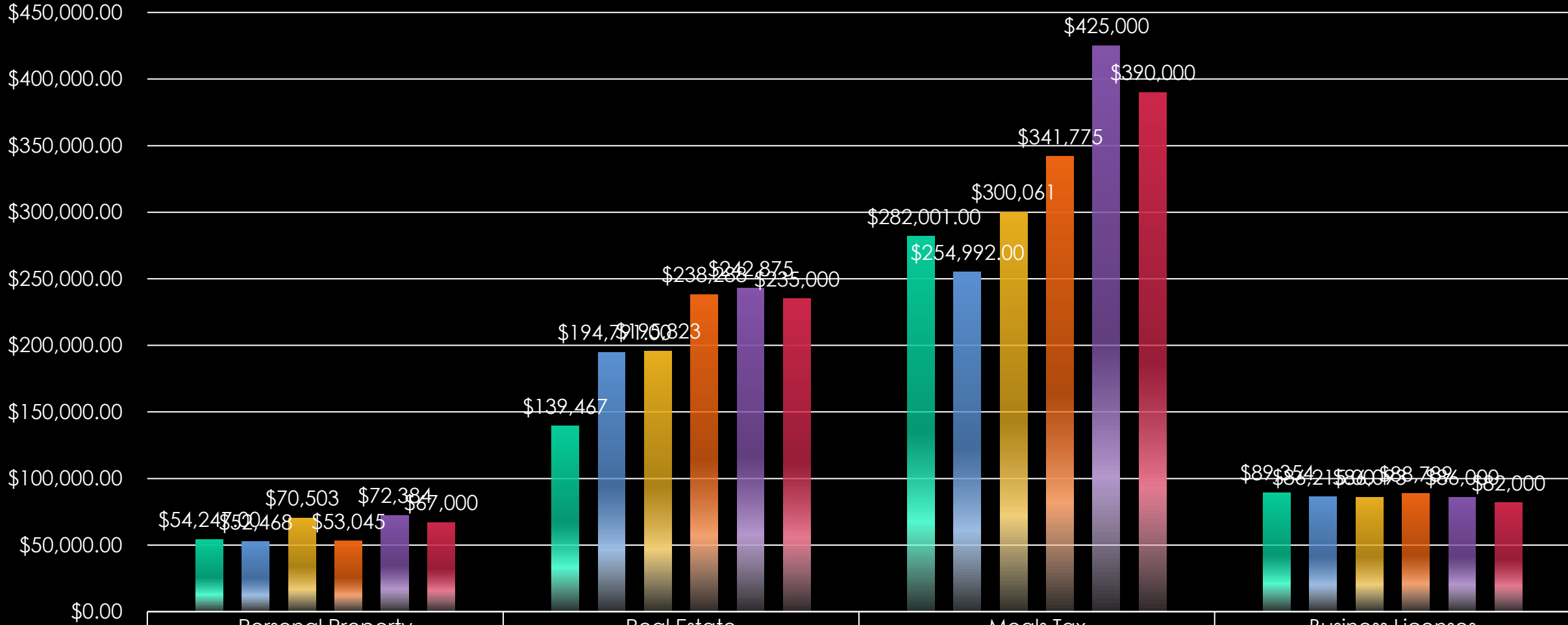
General Fund Budget - Trends



General Fund Revenues	
FY 2016	\$1,117,170
FY 2017	\$1,180,165
FY 2018	\$2,126,396
FY 2019	\$2,921,454
FY 2020	\$3,438,981
FY 2021	\$2,107,215
FY 2022 (Proposed)	\$2,331,300

■ FY 2016
 ■ FY 2017
 ■ FY 2018
 ■ FY 2019
 ■ FY 2020
 ■ FY 2021
 ■ FY 2022 (Proposed)

Anticipated Revenue Trends By Source



	Personal Property	Real Estate	Meals Tax	Business Licenses
FY 2017	\$54,247.00	\$139,467	\$282,001.00	\$89,354
FY 2018	\$52,468	\$194,791.00	\$254,992.00	\$86,215.00
FY 2019	\$70,503	\$195,823	\$300,061	\$86,093
FY 2020	\$53,045	\$238,288	\$341,775	\$88,789
FY 2021 (Forecasted)	\$72,384	\$242,875	\$425,000	\$86,000
FY 2022 (Proposed)	\$67,000	\$235,000	\$390,000	\$82,000

Budget Breakdown by Department

- The **General Fund Operating Budget** consists of all Departments except Water and Wastewater (*Enterprise Funds*).
- The General Fund Operating Budget is funded predominantly through real estate, personal property, and excise taxes.

Department	Department Budget	% of Total Operating Budget
Administration	\$471,115	20.20%
Police	\$379,012	16.27%
Public Service	\$337,210	14.46%
Contributions	\$49,200	2.11%
Debt Service	\$80,358	3.45%
Capital Outlays	\$150,320	6.45%
Grants	\$864,085	37.06%
Total Budget	\$2,331,300	100%

Enterprise Funds – Water and Wastewater

Enterprise Funds are collected through recurring monthly payments by Town customers. These include your water, sewer and garbage bills.

Capital Outlay – There are no capital outlays available for this fiscal year.

Wastewater	
Operating Budget	\$451,443
Capital Expense	\$0
Debt Service	\$249,200
Total	\$700,643

Water	
Operating Budget	\$295,886
Capital Expense	\$0
Debt Service	\$0
Total	\$295,886

FY 2020 Budget VS. Proposed FY 2021 Budget

Department	2020	2021	Over/(Under) Previous Year
Administration	\$468,505	\$469,615	\$1,110 (0.23% Increase)
Police	\$374,961	\$395,612	\$20,651 (5.2% Increase)
Public Service	\$484,109	\$338,710	(\$145,399) (30% Decrease)
Water	\$334,103	\$295,886	(\$38,217) (11.43% Decrease)
Wastewater	\$761,500	\$700,643	(\$60,857) (8% Decrease)
TOTAL BUDGET	\$3,202,818	\$3,327,829	\$125,011 (3.75% Increase)

Warsaw's Cash Reserves Remain Strong

- Common practice within larger Virginia localities is to maintain a cash reserve balance that equals at least 20% of annual operating expenses.
- Smaller towns, with smaller budgets and large expenditures, should maintain a minimum reserve balance of 50% of operating expenses.
- Warsaw's designated and undesignated cash reserves amount to the nearly \$2,800,000, or 84% of our annual operating budget for this upcoming year.
- Cash Reserves - \$2,800,000
- Capital Assets - \$4,600,000



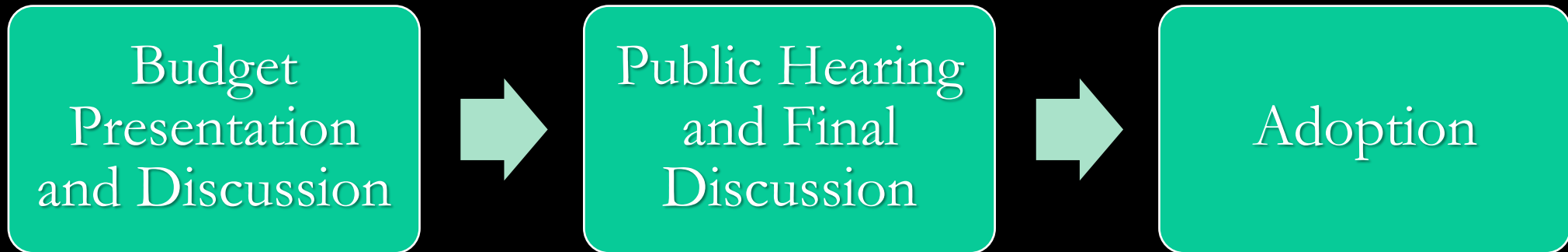
Capital Improvement Plan

A yellow excavator is shown in the process of demolishing a multi-story building. The excavator's arm is extended, and it is tearing down the structure. Debris is visible in the foreground. The background shows a clear sky and some distant structures.

Items to be funded in this Fiscal Year include the following:

Due to declining revenues in the Enterprise Fund, no capital improvements have been budgeted in this fiscal year.

Moving Forward



Questions?

